# FINANCIAL TIMES 

Mexico
Explaining an annus horribilis

क Phone control Call-logging curbs abuse
Technology, Page 22


Today's surveys
France
Swedish Banking


## Hopes rise over deal to resolve beef crisis

 Court setback forMalaysia's $\$ 5.5 \mathrm{bn}$ Bakun dam project



 Zyuganov maxy seek deal witt Yotsisin:
 ident Baris Seltsin. Page 2
 par cent in the companyy and thre seatson on the Finimest admits socrot parment Fiminvest lusconi, secretly provided 1540 bn ( $($ S3Sm) for allies
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 Healy sef for spending cursa Halus's new
centreedef government was last night due to
 to keep the 11966 budget deficit on tanget prage 2

 Thailand roveises tariffs pollicys Thailand
 Wdiening trade deficit Page \& Observer, Page 13
CLT chief quits: Michel Dellose, chere executive
of CLT, the intemational media because of disagreements over plans for the groups
management structure, Page 15; Lex; Page 14 Australla lssues intornet shares waruing: countri's sm Imternet suers about "unnsubstantiated
securites information published to entice inves.
tors to buy shaves. Page is Huge lake found in Antarctic: Russian and
British scientists in Antarctica said they had found - a giant, freshwater lake under a glacier which cou Haly out of Euro pes: Italy and defending
European champions Denmark were Enocke
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## Watchdog probes London metal market

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gooding to London Review aims to restore confidence after Sumitomo affair and Emio Tran in raso
 powers of the London Retal
Exxchange in a bid to restore
interter







France opposes Moulinex plan to cut 2,600 workers



Mexico to pay back $\$ 4.7 \mathrm{bn}$ of US loan a year early yeno mion and ext



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Continued on Page 14
mexican party. Page 12

WHEN WE INVEST IN A COMPANY

WE'RE NOT INTERESTED IN ITS WORTH.

## ONLY YOURS

## For more chan thirty-five years Gresham Trust has

 en invescing in managemenr rather than just figures on balancesheetmirment and track record, we'll back our judgement hecher yon're rising $f^{2 \mathrm{~m}}$ or $f^{20 \mathrm{~m}}$
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London $E C 2 V$ THE.


[^0]—__ NEWS: EUROPE

Challenger hints at serving as premier after July 3 run-off

## Zyuganov may seek deal with Yeltsin



## Welcome for

 Emu policy 'club' proposal




Italy announces big public spending cuts


## Bonn gives way on women's pensions

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## EU central bank will require uniform and regular data on financial flows by 1999

## European banks face fresh Emu costs




Fininvest admits secret payments annatiminam


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group, Renobom was extended to
Mr Renato Della Valle, a property dealer associate of
Mr Berlasconi, and $\mathbf{C l 2 0 b b}$ to
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## French parties trade insults

Mr Alain Juppe the french prime minister, and membiers of
the opposition Soccalist party traded charges of incompetence as the Prench parliament yesterday dibated $s$ doomed.
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Mr Jupe re
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Judge in Gaullist probe removed | The investigating magistrate who has become the scourge of |
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| France's ruling Gaullist RPR party has been taken off | of Paris, judicial soumces said yesterday,

Judge Eric Halphen wrote to the pubitic $p$
 had the local authority refurbish a councll nat for his own



 succeeded the President Jaccuues Chirac as mayur of paris last
yeart was chairman of the eity housin authortty when the
controversial renovation occurred in 1988
Retter, Paris
Poland to arm tax collectors The Polish Finance Ministry said yesterday that it wanted to
create an elite team of armed trax inspectors, and topive all
reasury collectors more policimg powers to curbi tax evasion



 office. The new inspectors woald be allowed to use Intellig
tecthounes such as teleppone bugeging and to bear arms.
The law wil also allow
 to pay taxes.
Tax collectors could ask inditiduals about sources of thelr
wealth and force them to pay tax if it turnso out they have an

Big companies keen to use euro


 "A number of companies plan to switch over to the euro in
 o use the eurro widely from 1999, it cited Luxembourg


 Russian-Nordic nuclear talks



 Mr Christoffersen sald assistance could be computer :
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Eepep trakk of the materials, and funding of mproved security at militiary and drvilise
sites Researcers in Norray say yher is a rexter
concentration of nuclearmaterials on the anrtic Kol.
 anywhere else in the owrid.
Norwa yas beeen trying to
 the former Soviet republics of Uluraine. Savzalenstst.
Belarus with programmes to combat smuggling.
ECONOMIC WATCH
Czech growth hits 4.3 per cent

| Repablic | The Czech Republic's gross domestic product rose 4.3. par |
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| fall-year GDP growth of $5.5-6.0$ per ceat. Services accounted for the largest share of GDP growth but the share of industry has |  |
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| the largest share of GDP growth, but the share of industry has been rising. Vircent Boland, Pragut |  |
| Switzerland's seasonally adjusted trade surplus totalled SFiz1.1m (scishin) in May compared with a revised deficit of |  |
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 The London Metal Exchange
drew the attention of senior
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senion copper trader Mr Mrasuo
Hamanaka for the irst senior copper trader. Mr Yasuo
Hamanka for the Irst time in
December 1991, Mr David King. December 1991, Mr David King,
the exchanges. chief executive
said said yesterday.
The exhyse at that time
also "expressed conccern" abooo
 operations in its copper mar-
Mr King also impled that
the discovery that Mr Haman-

Copper trading: who regulates what in the UK



Trading and cancels share-buyback plan



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 employment policy.
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mendations is it Necom. National mendations is a National
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between labour and business. It warns that , withoos suck.
tramemors, industrial unrest could undermini investor con-
fidences and scapper the gov.
ernment's plan to achieve a
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 pursuit of their respective
objectives, saps the report
its findings provide endorse. Its findings provide endorse
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Economic Development and Economic Development and
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In the wake of the SI the wake of the currency
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leed to an 18 per cont devalua,
tion in the rand since February and revived fears of double
digit inflation, the accord should include commitments
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## US law change spurs scramble for Libyan oil deals

SAMSUNG, SIEMENS \& FUJITSU Share something special THE NORTH OF ENGLAND More than 380 international companies have chosen to invest f6billion in
the North of England - these include '50 Fortune 500 companies and one of
the largest concentratlons of Asia - Pacific manufacturing investment in the large
Europe.
We
Europe.
We pride ourselves on our attention to detail and have provided a level of
high qual high quality support to humdreds of manufacturing and services investment
projects that we believe is second to No matter how believe is second to none.
expanding in Europe contact us - our track record speaks for istelf
expanding in Europe contact us - our track record speaks for itseff.


## South Korea faces bout of labour unrest

| By John Burton in Seoul |  |
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| apan's economic recovery - a miracle or a mirage? |  |  |  |
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| recovery might be a mirracle or fust a mirage. | ics point to reasons $\quad \bar{T}$ |  |  |
| The question | $\begin{aligned} & \text { my } \\ & \text { asd } \\ & \text { che } \\ & \hline \text { ane } \end{aligned}$ |  |  |
| data showing. to everyone' | growth. <br> prime minister. Private sector economists sturk to their full. |  |  |
| ${ }_{0}$ | William Daw | kins reports | $\frac{m}{n t}$ |
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| The Economic Planning Agency reported an annualiser | Armuatsed quarierty growt (\%):- $\quad \therefore$been sending Japanese bond <br> prices down sipace tre GDP |  |  |
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| gross domestic product rose by 5.7 per cent against the same |  |  |  |
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| he dollar recovered, helped by | Being late, t |  |  |
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| 2 labour-intensive task | May, points to stroxger than to a record low O.5 per cent and expected recovery, bat cites constramts on growth sach as an increase in unsold stocks <br> priming package, worth an |  | . |
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ASIA-PACIFIC NEWS DIGEST
Canberra pension allegation denied

## An Anstalian perliamentariy mauiry has found no

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 Philippine peace talks to resume Philipubere President Fidel Ramos suid yexterisy hat peace
 Meanila court ordieared. the releasese of Mr Sotero Lismass, a serio
figure in the National Democratic Front (NDF) who has been

 was released because be was a member of the negotiatitumas
panel trying to ond the 27 yeara insurgency amon

Taiwanese president snubs MPs


 pariliamentary approval
rapposition liw-makers, some suported by members of the
raling Kuom intange have paralysed partiamentary businines in
 premier nor was the legislature newly sworn in, वo
constitutlonal mandate extsted lor lis appoimtment

 Pakistan budget strike call

 budget which is due to be voted on betore the end of the
month The mancial year begins in July. The Rescoobn





Vietnam holds its breath for the richest natural asset of our home state.

the party congress to start



the Russians. We will tail.
says Mr Do Due Dinh, a gov-
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A recent anaiysis by
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Peter Montagnon
and Jeremy Grant



IN briaf television spin-off






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 said the prototype, at 70 gramerical data Nas wiT eloped hopes to launch the ghone th
price of around $Y 50,000$ ( 4636$)$.


 to the end of May despite weal retail market
Eurrope. Page 16
Javerine forges Philipphuses alliance
The Uardine group whoose diverse companies
lited in Asia througha a tie-up between Gammon Construc. ion, its Hong Kongbased construction armi, and
Agala Land, the Pbilippines' property developer. A pala Land
Page 18
Calpers orders property stakke-out tem has ondered a shakeout of its underperforming property portfolio in a bid to boost assets, which
Hyder plans to out 900 stratt


Tim Burt unravels the claims and counter claims behind a tale of alleged industrial espionage
The documents in the dustbin

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 Sill









## Coca-Cola ends link ASC issues Internet share warning

with Nordic
producers

## Coca-Cola yesterday ended half-century collaboration wit



 or 35 per cent, of tits turnover.
The company, controlled by
oriza of Norway, said it woude


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Nar Paunk
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Australian regulator alerts 1 m users to possible swindles


indeverheless, "companies an ndividuals who are not licensed
eaelers or investment advisers who mabie recommendutaions o provide unsubstantiated iniorm nternet" were breaching the Cor
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## CLT chief quits over structure at merger with Ufa

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## Who goes this

 far to give you international credit insurance?Only Coface has a network of insurers
in countries covering $70 \%$ of world trade.
No one else goes to such lengths
for their clients.

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Silhler to head Telekom supervisory board

| Michae! Lindema Bonn |
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| Helmut Sihler. a former |
| executive of Henkel the |
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| head of |
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| privaised in November. |
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## Skis Rossignol ahead 19\% despite fall in global market

| Sy Darid Owen in Paris . | increased our sales", said Mr Jean.Jacques Bompard, com. | per cent to FFr146m, while sales of tennis equtpment were |
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## AssiDomän in Russia venture with Stratton

By Hugh Carregy
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## NEWS DIGEST <br> Novo Nordisk plans shake-up

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## Bertelsmann faces need to rebuild bridges

Germany's leading media conglomerate has fallen out with its allies, reports Judy Dempsey


Reshuffle at Ford European operations iy Worlgang Minchau
in Cologne
Sir Ale Trotiman, chairman of
Porid Motor Corionation , ves




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(3) LNOVATION ALLOWS YOU TO MERELY PAUSE WHERE OTHERS STOP

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 EBankersTrust

In a culture thar prizes innovation, the biggest challenges become rhe greatest opporrunities. Philippine Long Distance Telephone rhe greatest opporrunities. Philippine torg Company's desire to bring stare-of-the-att technological innovations o its service area was met by a seemingly impassable obsracle: the challenge of raising large scale capital in marker conditions thar had urned skittish towards all developing nations. Together, we designed a firsr-of-its-kind crearive solurion. Based on substantive knowledge of the industry, local and global insights about the region, and the resources and credibility of our full-service worldwide network, we srructured the firsr ever Global Bond offering by a Philippine issuer, and the firs such registered wirh the SEC in the U.S. Then we worked collaboratively with PLDT to effectively market this breakthrough offering. Based on rhis initial achievement, we successfully marketed their two-tranche bond the following year. The ingenuity displayed by both partners throughout this relationship so impressed the financial community that we were awarded "Deal of the Year" by two publications: Corporate Finance, for two years unning, and Asiamoney. To discuss how we might work with you to think through and design equally innovative solutions to your financial challenges, please contact us.

EBankersTrust
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## Isetan hangs on to heritage by a thread

A tiny stake is the only link left between the troubled Japanese retailer and its founding family

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Jardine in Philippines tie-up





REPUBLIC OF LATVIA
$4^{\text {th }}$ International Tender for the sale of INDUSTRIAL ENTERPRISES




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| R Beneficial <br> \$I50,000,000 <br> Guaranteed Floating Rate Notes due 1998 <br> The notes will bear interest at 5.97656 per arnum from $I T$ Juna $19 \%$ io 17 September 1986. <br> Interest payable on 17 <br> spenter 1996 woul tmount io 5150.23 per 5190000 note and ( $51,502,30$ per 5100,0000 nore Agent: Morgan Guaranty JPM JPMorgan. |
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The telecommunicarions revolurion is transforming life around the world.

Ir's breaking down barriers, opening up new markers and opportunities, making exisring organisations more efficient, and improving the quality of life for millions.

Small wonder that everywhere you go today, a telephone is one of the most essential tools - or coveted possessions - there is.

China alone is installing new lines at the rate of 17 million a year. In two years' time, Asia-Pacific will be the world's largest mobile market. And around the world every day services are improving, new products are being developed and technical advances are being made.

Wherever the relecommunications industry
is changing fasresr, you're likely to find Cable \& Wireless ar the hearr of it - applying irs unique brand of rechnological expertise and its unrivalled experience of working in partnership with governments, businesses and customers.

We operate mobile networks in 30 countries (more than any orher company), and have businesses in over 50 .

In the USA, we're a leader in focusing exclusively on business communications; in Hong Kong, we manage one of the world's most advanced systems; in Europe, we're partnering VEBA to build new businesses in the EU, as well as already operating in Sweden, France, Italy, Spain and Ireland.

We own one of the major cable and radio
nerworks linking inrernational business cenrres; we helped launch Asia's firsr privarelyfinanced relecomms satellire, wirh a foorprinr covering half rhe world's population.

And we're currently helping ro lay FLAG (Fibre-Optic Link Around rhe Globe) system.

In fact, if four out of every five people are without a telephone today, nobody's betrerqualified than Cable \& Wireless to turn rhat problem into an opporrunity.


CABLE \& WIRELESS

TCI in move to spin off satellite broadcasting side


## Calpers to revitalise its property portfolio


#### Abstract

By Christopher Parkes action to inprove returns from its down at 3.2 per cent  The California Public Emplozees Retirement System has oridered a shakeout of itts. underperforming shakeout of its. underperforming propert portoinin boost assets. which revenaty enipt to to silobn for the first time. The milestone in the rowth of the pension fent was passed on May 14 Calpers said Calpiper said following a board meet ing this weelc The board also authorised its new   ending of me hunurest of industry $j$ jobs industry jobis Values have there is Hatl ifif propeity market Despite this se nds of defence


Oracle claims lead in 'groupware' field





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We have continued to grow in 1995 and
    have achieved a good financial result
    In figures: net income fort the year incresed
    by 45.9%, the pre-tax profit rose by 31.7%.
    The pre-tax retum on slece increased fom
    5.9t07.5%.
    The good news for our shareholder is.
    DM 1F, and eamnings per share are DM 40
    (DVFASG). Fince the number of shares had
    incresed by 20%, the comparable profit
    was 29.7% higher.
    "Shareholder value" is an important con-
    e\rhot to us. In I995 the market value of our
    company reached a new all-ime high.
    We have big plans for the furure.
    or further information please call:
    Linde AG, Public Relations Department
    Telephone: +49-611-70317
    Telefx +49-611-70690
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    *)
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## Diamond sales increase as confidence returns

| By Kenneth Gooding, Wining Correspondent |
| :---: |
| The diamond market is regaining its confidenco followreached in February between two of the biggest producern |
| South Africa and Russia |
| De |
| nisation, which don |
| monds, reported |
| in the first hatr of 1996 |
|  |
| OSS22748bn |

## Thai gas concessions awarded



Pulp producers hopeful of upturn in fortunes

| mon in Toron |  | d | $\begin{aligned} & \text { is focussed on } \\ & \text { is, which buy } \end{aligned}$ | sccelerate from |
| :---: | :---: | :---: | :---: | :---: |
| woodpulp | prices are due to |  | ${ }_{\text {about }}$ aboun 00 per cont of pulp | and 68. per cent in dig |
| mariket, which has been in | US\$50 a tame to 95580. Prices of | monthty drop In several years | orld markets. | ${ }_{\text {which }}$ contracted by 3 |
| steep decline for the past | less expensive grades have | Furtherrmore, the - Indonesian mills, which | at those paper makers | cent last year, was projected to |
| by sigus that destock | Expectations that the la | pralp prices to. Iess than $\$ 100$ a | long bull market," said Mr | and 8.4 per a |
|  | in | r | David Yineazit, ecounomist at | 1 |
| Some traders and analysts | American puip | loping that they | Information |  |
| warned thls week, how | shares on the New Y Yoris and |  | Resource $\frac{\text { nformation pre }}{}$ | ${ }_{\text {But }}$ |
| that the Upturn might | Torocto stock erchanges | downcycle, "satd a trader in | argain during 1997 et around | aging |
| UK paper consultant, said; | since reaching |  |  |  |
| to incre | ammost si, ino a tonne | ing costs, they are sadaled. |  |  |
| ne |  |  | ases, |  |
| ter failing | bated by a rundown | Analysts are still uncertain | Pineault sugegestod Cormwall-ased consultants | woodiree papers, where most |
| $m$ ble |  |  | Emge and Company forecast in |  |
| he |  |  | orla dema | ghtly, over the next |
| benchmark, North American | news that ARet has been brooyed | by paper mills and end-aserss rebrilid stocks at low prices. | that worild demana grows | , |

Kenyan tea authority feels the strain
Michela Wrong reports on a success story that has begun to turn sour

CASE METALS


Precious Metals continued


 PRECIOUS METALS





JOTTER PAD

CROSSWORD


## Prices fall on fears of possible Japanese rate rise

| 5 of an interest rate rise in in welghed on government arts of a possible rise in after Tuesday's stronger downplayed by many ysts, but led to some sell-in early trading in New . The mood spilled into ope, with most markets |
| :---: |
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## RheinHyp makes debut with DM2bn Pfandbrief

| By Corner Middelmann | domestic Pfandbrief market According to Commerzbank | thue |
| :---: | :---: | :---: |
| The eurobond market saw an | joint lead with Merrill Lymch |  |
|  | Union Bank | ) |
| ge of curren | land some 30 | us to tap the eurrobond market |
| cies yesterray. |  |  |
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| a |  | basis points over Treasuries. |
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| ma | funding activity," sald Mr | was betng privatised, this was |
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## Warm welcome for Ina offering








| ntoria Sharpe | such a move because it would |
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| Italy yesterday resumed | of tna stock. The poor perior- |
| privatisation programme | mance or inas sharet mas privatised two |
| bords exchangeable into lis | in |
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| insu | chose not to reduce its stake |
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| se the offering, via Go |  |
| Sachs and IMI. was | rerser |
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Portugese derivatives await repo market

| Ey Peter Wise in Lusbon | ket, where the BVL-30 index remains close to last Friday's |
| :---: | :---: |
| arket | record high of 1,914.74, to the |
| today | aing of the BDL, as well as |
| in Lisbon reaching record | ing privatisation issues |
| Hs. But foreien investm | Mr Manuel Alves Monteiro, |
| arpected to be limited unti | chief executive of the BDL, is |
| "repo" market to facilitate |  |
| fanding in esczas is set | develop sabstantial volume by |
| later the | the end of the |
|  | Bnt he acknowledges. the |
| ds start | absence of a "repo market |
| ing today, with | escudos than the money mar. |
| third contract | rreign |
| ritterm money market rate, | investment, The "repo" mar- |
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## y Peter wise in Lsbbon

ket, where the BuL30 index
remains close to lost Friday's opening of the BDL, as well as
optimism over recunt and com. ing privatitisation isslues. chief executive of the BDL, is
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sence of a ${ }^{\text {reper }}$
viding cheaper fumbinget in escudos than the money mar.
ket wil Intially limit tareign gle over location, is expected to
be operatlo Analysts attribute the bu
ancy of the Lisbon cash $m$

FT-ACTUARIES FIXED MNTEREST mNDCES

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## MARKETS REEPORT

Dollar swings between Germany and Japan

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## JP Morgan



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## LEISURE \& HOTELS



 Automatic Call Distributor (ACD) technology, which handles high volume in-coming calls, was pioneered by Rockwell

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FINANCIAL TIMES THURSDAY JUNE 201996
FT MANAGED FUNDS SERVICE


| LONDON STOCK EXCHANGE |  |  |  |
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|  |  | Mr.sean Althere index |  |
| Disappointing retail sales news restrains shares |  |  |  |
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## Dividend worries at BTR

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䢒 There was tast 3 per cent. trat BTR.
xhich hosss 2 round of City week may put out a furtbit
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grised rumour, but were
unanimous in sum manimous in suggesting that
he planned Cits meetinge would inneffect, crove tot be a amage limitation exerclse. ompany reducoder its to troits
stimates stimates for thls year and next hy 3 per cent. Rival
bouses said that the broker
was mostly coming into line
with mety A further worry for hares is that they are now
below the 258 p at which

 ant conversion proceeds.
Leisure and hotels

## TAX-ACCOUNTING-LAW

Subscribe to these newsletters for the highest quality, practical guidance for professionals. For further details please tick relevant box

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FINANCIAL TIMES THURSDAY JUNE 201996 *


## AMERICA <br> Dow rebounds as tech stocks regain ground





## Mexico City overcomes weakness


 Analysts attributed the initial decline to a more positive response to reports that the eover an be awaiting second-quarter earnings resuits
in coning speed up the sell-off of state owned assets.
The
The
Bovespa index had slipped 180.99 by noon weighed by a reassessment of Thesciays prl- to 56.1 .166 , with investors alsp unnowed by news


| Markot | No, of stocka | $\begin{array}{r} \text { June } 14 \\ 1998 \end{array}$ | over mock | \% Change on Dec 'go | $\begin{aligned} & \text { June } 140 \\ & 1999 \end{aligned}$ |  |  |
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| Compoothe | (1118) | ${ }_{30045}$ | -22 | +0.e |  |  |  |
|  Mr Benjamin Netanyahn spent his ifrst fan day as Israel's prime minister yesterday, having given the market the inance minister that it wanted. Howeyer, the eappointonenl Nishtanim index, which closed 1.2 per cent justice minister and acting finance minister for four months in 1990, is a lawyer and key Likad msider. |  |  |  |  |  |  |  |
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EUROPE
Senior bourses shiver in mid-afternoon




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## Tokyo




Fiscal consolidation in Germany: a long way to go

Athough most European governments had recognized the
pressing need for fiscal consolidation, the preparations for monetary union may heve given tha processs an extra boost the restructuring of the eastom German economy has not
only pushed public sector deficits to unprecedented heights, it has also o prostity increassed the burden imposed on the Thiss in tum, aurbs growth, making deficit reduction more


elinninating those which exceed
Not onit
Not OnLy will tbis call for much more courrge on the part
of politicins than they bave demonostrated so farr: it will albo have to be sccompanied by a
campaign to win broad public
 that, unlesse it underfakes radGermany will still bave 4 mill Lion unemployed - magbe even more - io the year 2000 .
For more information abour
Commerbank's broad
scope of resesoanch capabiri-
ties a and fininancial sapabive
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just contact the bank's


## New Designs for the Old.

First, the bad news: all over the world, in some places more than others, the old systems of care for the aging are aching and creaking. The figures just don't add up anymore.

The good news is that insurers and reinsurers have long been wise to the problem and are mounting an all-out effort to develop broader and better ways of delivering private longterm care.

We're talking about a giant leap in social concepts: from "charging Peter to pay Paul" to "Peter pays Peter, and Paul pays Paul" - the travail of a whole generation.

Swiss Re has been among the first and foremost in helping its clients gauge the enormity of this change, to calculare and manage the risks involved, and to design modern solutions to the age-old problem of old age care.

Being 132 years old ourselves, and a worldwide leader in our field, we're entitled to say that we've seen it all. And we're ready to hand on the ideas, techniques and resources we've developed along the way.

If you'd like to know more about us, fax today: +4112854098.

## NEWS: THE AMERICAS

## Sell-off call for bank that lends a hand

Argentina's Nación, banker to the neglected, is told to go commercial, writes David Pilling


## Clinton aide named in trial New supervisor in place





AMERICAN NEWS DIGEST
Italy condemns
US law on Cuba
The Itallan presidgricy of the European Uniar yestoriay called

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Hesent Hutrermeasures tom tor the dees of preparing Counvisision preatdiant, et a yount news copference at the




## Cigarettes for Havana

The Brazuisan digarette-maker Sourza Crusa, a subsidiary of Cuba's hard curremen yintemal matricot in in jolnt venture with A smanll tuttal manuscturing Hpe Producting black tobacco



Canadian MP bounces back


 End Bervices tex (CSTM. The government Ms Copps won the byelestlon hoid ori Monday, if a wide Propressyme Congervatit
1203 geteral election
Caracas gives tax discounts
 can lisbinites. The scheme which inctudes parians on some isscal vear enditur to 199 M .
Thmpatax amyenty is to end in October. Tha helegtened.
 so Vehuruela has the lo
Biter Kauth, mays Sentiot

## Thailand reverses policy on cutting tariffs


#### Abstract

  

Afta should try to conssob- mikmentis to the Warld Trade 


## Balancing fair trade and fair work

Guy de Jonquières and Frances Williams on a vexed issue dividing policy-makers



WORLD TRADE NEVS DIGEST

## Brazil may face car complaint

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China urged to cut motor tariffs





Poland offers tax break for GM





US optimism on telecom deal





US bows to petrol ruling The US sedd yeteriday II would comply with wayd rrade

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 trade Frues by impusting sticic


## Doesn't it make sense for diners to decide whether smoking's on the menu?

Smokers and non-smokers can and do live together amicably. Courtesy and consideration are always vital, but often so is the operation of a practical and effective smoking policy. For some time Philip Morris has been successfully advising on how to make sure that non-smokers don't feel uncomfortable and that smokers don't feel put-upon.
abo about how we might be able to help smokers and non-smokers live and work happily together, or if you have any sugsetions that you'd like to make, please write to us at Philip Morris Corporate Affairs Europe, rue Joseph II, 166-1000 Brussels, Belgium.

## Philip Morris Europe S.A.

Second hand tobacco smoke. Let's keep a sense of perspective.

## Minister warns of cash threat to embassies




## Germany demands strict Commission 'mad cow' safety rules

| By Our Forelgn Staff | Borchert said. "That is because we can only re-instil confi. |
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| sis | in our own German bee |
| Eindicated cautious beckiog fin | suring the highest possi- |
| any move towards a solution | France said it was "relatively optimistic" that a solntion |
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|  | of the Cormmission's proposals. |
| tic | Frencb offrials sadd the plan |
|  | requiring the |
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|  | tramework plan of phased liting of the trade ban on UK beef. one official sald, once |
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|  | Paris was reassured that publicbealth |
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| ( | "We are relatively optimis. Hic" about the crisis coming to an end at the Florence sumamit |
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| PM hails fuexible E |  |
| By Robert Pestor, Pontical Editor | cral election In an interview in today's Tribune newspaper: Sir James rejected the govern- |
| Mr John Major, the prime ment's attachment to free |  |
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|  | His speech was in part an attempt to widen the agsoda in |
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|  | work together on specific projects while others stay 00 the sidelines. |
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| MARGINED CURRENCY DEALING |  |
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CONTRACTS \& TENDERS

## NOTICE OF INTERNATIONAL TENDER

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The European Union' Sir James Goldsmith says heads of government apart from Kohl are 'men of straw'


Takeover Panel opposes Brussels for ending ban


Ministers accused on Post Office privatisation




Ending Net Book Agreement fails to boost sales


UK NEWS DIGEST
Retail sales in surprise decline


Electronics company expands





Ireland expansion by Mirror




Curb on charter flights
The government yesterday announced restricions on charter
gights operated by artraft registered outside the countries




Union membership sinks


Strike on Underground soon


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## FINANCLAL TIMES THURSDAY JUNE 201996 <br>  machismo

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#### Abstract







## A Byronic hero takes a bow

INTERNATIONAL
ARTS
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## AMSTERDAM

JAZ2 \＆RLUES Joe Maneri Quartet teaturing Maxophonist vilanistclarininetist Joe double－bass player John LLockwood
and drummer Randy Peterson； Opm
Jun 21 －BERLIN
OPERA
Deurtsche Oper Berlin
Tell：49－30－3 338401
－Palestrina：by Pilizner． and perromerned by the Doutsene einhard Hagen Oskar Hillibbrandt，
Gerd Bremeis and Rene Kollo；Gpm Gerd Bren
BIRMINGHAM
CONCERT
Symphony Hall


## Orchestra with conductor cilbert Kapian，sopramo Jufo Unwin， Raplan，sopranto Julio Unwitrent Chy of Birminghem Symph Chorises： 8 Bprij Jur 21 BRUSSELS   <br> CAMBRIDGE（US） <br> Foog Art Museum <br>  <br>  Collection：exdibltion of some 50 amal In brorze，tom the calloction of New Yot pubblisher Alexts Gregory； to Jun 22 <br> CANBERRA <br> ExHuIrrion National Galery of Australla Tel： $81-6-240-6411$  extlbition of soff tocust sipher．and  poutotographers in the period besween 1890 and 1920 ；from Jun 22 to Aug 11 <br> DETROI <br> Exibmizin The Detrolt hastituta of Art <br> Tel：1－313－833－7963  <br> OPERA DPE Vamse ODera Tel $32-9-2230631$ <br>  G GR <br> wudthorio Nanuel de Falla <br> Festival Intimectoneal de Miscica <br> Yanse under the general title＂Las <br>  <br>  <br> occession of the soch andiversary of <br> 



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Austratian series Prisoner：Cell
 to Nabocco＇s daughter Fenena meza
Mealing her RRyal Opera debut
the French soprano Sylvie Valayt displayed a confident cutting edie

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Runners
line up for the Turner Prize

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 At shoort notice，the young spauish
tenor Vicente Ombuena took over
the underwritten part the underwritten part of tho
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David Murray Further concert performance of
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| Spink \＆Son <br> Te：44－171－9307888 <br> E Splik＇s Ansual Watercolour Exhibition：selfing extibbtion of Britsh wetercolours from the mid－ 18 tht to the mid－19th century． Artists represented in this show Includg Gainsborough，Towne， Sanciby，Tumer，Girtin，Lear and De | －PARIS <br> concert <br> Salle Pieyel Tea：33－1 45615300 Radio France：with conductor Marak Janowski and violinist Ollvier Cherlier perform works by Henze and Beethoven；8pm；Jun 21 ExHIEmion <br> Muspe d＇Orss <br> Tel：39－1 40494814 <br> the success of composer examining Offenbach（1819－1880）at the end of the 19th centary．The exhibition comprises 250 objects from public paintings，sculptures，costurne models，posters，photographs， ceramics and pieces of scenery，to Jun 23 <br> STRASBOURG <br> EXHIBIION <br> Musbe des Beaux－Arts \＆Arts <br> Decoratits－Palais Rohan TEl：33－88 324895 <br> －De Giotto a Con <br> of ltarian printhos falatto：exhibition museum＇s collection．Alongs these paintinga，works are shown by French，Spanish，German and Dutch artists who traveled or semtled in <br> Haly；from Jun 21 to Oet 17 <br> Listing compiled and supplied by ArtBase The international Arts Databess，Amsterdam，The Nethertands．Copyright 1996．All |
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| rden Tel：44－171－2129234 Don Carlos：by Verdi．Conducted Bemerd Haitink and performed the Royal Opera．Soloists includa |  |
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| Karita Mattila，Martine Dupuy， <br> Roberto Alagna and Robln Leggate． Part of the Verdi Festival＇96；6pm； Jun 22 |  |
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| LOS ANGELES |  |
| EXHIBTION <br> Los Angeles County Museum of |  |
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| Lari Pitmenan highlights 35 of Pittman＇a works，inclucking now paintingss created spocially for this presentiationt form Jun 23 to $\operatorname{Sep} 8$ |  |
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| －Genoese Drawings and Prints： exhribiton showing a setection of Genoese artists of tha 16 th to 18 th |  |
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BORDERING ON CHAOS: By Andres Oppenheimer
Little, Brown, $367 \mathrm{pp}, \$ 25.95$

## Time runs out for Mexico's party



LETTERS, TOTAE EDIAOR
Number Ore Southwark Bridge Kondon SEL 9 HI

"OUR AIM IS TO CREATE THE FINEST WATCHES IN THE WORLD."

For more dhan 120 vears, the ricliness of our vision has never ceased to fasci-
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Apprentice schemes in right fields

## Figures can tell another EU story



Advantages in returning to the Efta fold

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No eyebrows raised at strong male leadership



Netanyahu: difference in tone, not substance, on peace process From hr M1. Arieli

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| FINANCIAL TIMES <br> Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Thursday June 201996 |
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## Beating metals

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## Murky water

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No fear of flying
Concerns about the safety standards of low-cost airlines appear to be unfounded, writes Richard Tomkins


OBSERVER
A fishy Spanish tale






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## Court setback for \$5.5bn Malaysian dam project



## Bonn plans to crack down on growing corruption threat




Outline of Alitalia restructure plan agreed with unions





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